

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 INRE-00
SSO-00 /028 W

-----129229 220910Z /23

O R 220830Z AUG 77

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC IMMEDIATE 5375

INFO AMCONSUL HONG KONG

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EO 11652: N/A

TAGS: EAIR, TH

SUBJ: CIVAIR: PAA FACES PAX QUOTA CONSTRAINT

REF: BANGKOK 7140

1. AS THE DEPARTMENT IS AWARE, RTG SEVERAL YEARS AGO IMPOSED QUOTAS ON CARRIAGE OF FIFTH FREEDOM TRAFFIC BY U.S. AIRLINES SERVING BANGKOK. RTG FELT THIS ACTION NECESSARY FOR ITS OWN POLICY REASONS, BUT QUOTAS HAVE NOT AS PRACTICAL MATTER INHIBITED SALES BY U.S. AIRLINES.

2. NOW, HOWEVER, AS RESULT BURGEONING SALES ON BANGKOK-HONG KONG SECTOR, PAA PROBABLY WILL BY END OF WEEK USE UP REMAINING 644 SEATS OF 23,450 AUTHORIZED ON BANGKOK-HONG KONG SECTOR BY RTG ON NOV. 30, 1976 FOR FISCAL YEAR ENDING SEPT. 30, 1977.

3. PAA REP HERE ATTRIBUTES INCREASE IN SALES TO TWO FACTORS:
(1) WINDFALL SALES RESULTING FROM MUTUAL CUTBACKS IN SERVICE BY THAI INTERNATIONAL AND CATHAY PACIFIC SEVERAL MONTHS AGO ON BANGKOK-HONG KONG AS RESULT RTG-UKG POLICY QUARREL AND ; (2) VERY HEAVY INCREASE IN JULY AND AUGUST IN TOUR GROUPS BEARING TICKETS SOLD ELSEWHERE IN WORLD, JOINING PAA AT BANGKOK FOR TRIP
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TO HONG KONG. PAA REP FEARS, HOWEVER, THAT RTG OFFICIALS WILL ATTRIBUTE INCREASE TO NEW SALES PRICE OF \$195 FOR BANGKOK-HONG KONG ROUNDTRIP (FULL FARE IS \$315) WHICH PAA INTRODUCED IN AUGUST IN ORDER COMPETE WITH DISCOUNT FARES OFFERED BY ALL FOREIGN AIRLINES HERE ON BANGKOK-HONG KONG SECTOR. PAA REP BELIEVES RTG WILL, AS RESULT (1) AND (2) ABOVE, AND UNDER URGING FROM THAI INTERNATIONAL, TRY TO BLOCK PAA FROM EXCEEDING QUOTA IMPOSED LAST

NOVEMBER.

4. WE HAVE DISCUSSED PROBLEM IN DETAIL WITH PAA REP AND BELIEVE IT WOULD BE BEST FOR HIM TO NOTIFY DEPARTMENT OF AVIATION (DOA) SOONEST BY LETTER THAT AS RESULT SET OF UNIQUE CIRCUMSTANCES WHICH COULD NOT BE FORESEEN IN NOVEMBER, PAA WILL IN ALL LIKELIHOOD EXCEED "QUOTA" ESTABLISHED AT THAT TIME BY DOA. LETTER COULD CLOSE BY SAYING THAT PAA HAS ALWAYS ASSUMED "QUOTA" TO BE A "CONSULTATION LEVEL" AND THAT PAA REP WOULD BE PLEASED TO DISCUSS ISSUE WITH DOA IF DESIRED. WE BELIEVE THAT AS MATTER OF PRECEDENT LETTER SHOULD NOT RPT NOT REQUEST INCREASE IN QUOTA. IN ADDITION, EMBOFF IS PREPARED TO RAISE ISSUE WITH RESPONSIBLE OFFICIAL IN MINISTRY OF COMMUNICATIONS.

5. IF THAI CHOOSE TO MAKE ISSUE OF THIS MATTER, WE COULD PLEAD AS FALL BACK POSITION THAT RTG PREVIOUSLY IMPOSED SEPARATE QUOTAS ON TWA AND PAA, THUS ESTABLISHING DE FACTO TOTAL QUOTA FOR U.S. AIRLINES SERVING BANGKOK, AND THAT, AS RESULT SUSPENSION OF SERVICES BY TWA, WE CONSIDER THAT PAA IS ENTITLED TO SHARE OF QUOTA PREVIOUSLY AUTHORIZED FOR TWA. THIS IS PRECISELY LINE OF ARGUMENT RTG HAS FOLLOWED IN SEEKING TO SECURE FOR THAI INTERNATIONAL QUOTA PREVIOUSLY AUTHORIZED BY BRITISH FOR AIR SIAM AT HONG KONG (REFTEL). BRITISH REJECTION OF RTG ARGUMENT LET TO CURRENT IMBROGLIO.

6. PAA REP IS UNDERSTANDABLY ANXIOUS TO SECURE FIRM COMMITMENT LIMITED OFFICIAL USE

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WITH REGARD TO FREEDOM OF OPERATIONS IN SEPTEMBER.

7. DEPARTMENT'S VIEWS WOULD BE APPRECIATED.
O'DONOHUE

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Message Attributes

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Concepts: AIR TRAFFIC, AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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